

Phoenix Matachewan sees 7% Zn over 1.2 m at Steel River

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Mr. Robin Dow reports

PHOENIX MATACHEWAN MINES INC. ANNOUNCES SIGNIFICANT ZINC IN STEEL RIVER DRILLING

Phoenix Matachewan Mines Inc. has released preliminary diamond drilling results from its Steel River base metal project in Northwestern Ontario. Eleven drill holes totalling 1,683 metres have been completed targeted on two of 11 highly prospective combined geophysical and geochemical targets so far identified on the property. Drilling is currently halted pending receipt of geochemical and geophysical results necessary to locate future drill sites. The holes vary from 100 metres to 254 metres in length.

PMM management considers the results to be very significant because they:

- confirm historic drilling results obtained by Gulf Minerals (16.8 per cent over 4.9 metres);
- demonstrate the continuity of the 34-kilometre-long target chert horizon;
- provide abundant evidence of widespread anomalous zinc mineralization;
- show that the host rocks have been strongly altered by mineralizing fluids; and
- leave enormous scope and potential for the mostly untested remainder of the property.

The drill targets are strong anomalies resulting from surface rock sampling and ground electromagnetic geophysics. The compiled work has identified a folded, 34-kilometre-long chert horizon that has zinc, copper and gold enrichment. Approximately two kilometres of this target have been intermittently tested by diamond drilling and continuity of the sulphide-bearing chert band has been confirmed. Analytical results returned to date show very anomalous, widespread zinc mineralization, peaking at 7 per cent Zn over 1.2 metres (at 121 metres downhole) in DDH PS0507 in an extensive zone of strongly zinc mineralized rock that averages 0.58 per cent Zn over 39

metres. Elsewhere, the drilling intersected distinctly anomalous chlorite and garnet alteration, diagnostic of strong mineralizing fluid activity and providing evidence that the Steel River area is endowed with ample volcanogenic massive sulphide potential.

Tabulated analytical results are presented below.

Drill hole	No. samples	Min Zn (ppm)	Max Zn (ppm)	Min Cu (ppm)	Max Cu (ppm)
PS0501	51	19	3733	4	638
PS0502	20	71	2721	18	444
PS0503	55	45	947	6	161
PS0504	68	27	1.08%	7	2789

PS0505	69	10	272	4	1467
PS0506	4	83	1503	24	49
PS0507	75	10	7.01%	4	1314
PS0508	53	8	4979	1	713
PS0509	28	14	1667	9	55
PS0510	23	40	782	9	96
PS0511	15	45	140	11	91

	Min	Max	Min	Max
Drill	Au	Au	Ag	Ag
hole	(ppb)	(ppb)	(ppm)	(ppm)

			less	
PS0501	5	33	than 1	7
	less	less	less	
PS0502	than 5	than 5	than 1	4
			less	
PS0503	6	10	than 1	3
	less		less	
PS0504	than 5	17	than 1	5
	less		less	
PS0505	than 5	79	than 1	5
	less		less	less
PS0506	than 1	20	than 1	than 1
	less		less	
PS0507	than 5	20	than 1	8
	less		less	
PS0508	than 5	19	than 1	5
	less		less	
PS0509	than 5	44	than 1	6
	less		less	
PS0510	than 5	88	than 1	7
	less			
PS0511	than 5	8	1	8

C.A. Wagg acts as the qualified person under National Instrument 43-101 on the Steel River project.